

AmEmbassy TEHRAN

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ACTION: ECON INCOMING TELEGRAM

CONTROL NO. 7892

ACTION

INFO: ON BELLOT: 11 13
 AMR / TO AMEMBASSY KABUL
 DCM / TO RUSSO/AMEMBASSY ISLAMABAD 7103
 SA / RUSSO/AMEMBASSY TEHRAN 6145
 POL 2 CONFIDENTIAL KABUL 3805

ECON STATE: FOR NSA: ASSISTANT SECRETARY SAUNDERS

PA / AID: FOR AS/AS: WHEELER

ICA / E.O. 11652: GDS

CONS TAGS: PAID, AT

CR / SUBJECT: FUTURE OF US AID PROGRAMS IN AFGHANISTAN

ADM
 GSO REF: STATE 116319

BE 1. SUMMARY: IN OUR VIEW, THE INSTRUCTIONS IN REFTEL CONCERNING
 PER OUR AID PROGRAM IN AFGHANISTAN ARE TOO LIMITED AND TOO INFLEXIBLE
 HU A STRATEGY FOR PURSUING OUR INTERESTS HERE.
 RSO ALLOWING "THE DUST TO SETTLE" BEFORE ESTABLISHING A DIALOGUE
 MSG ON AID MATTERS MAY FORECLOSE FUTURE OPTIONS WITH THE NEW REGIME.
 TSO WE RECOMMEND AN EARLY PROBING OF THE TARAKI GOVERNMENT'S
 INTENTIONS AND PLANS. END SUMMARY

SCRO 2. WE HAVE NOT YET BEEN ABLE TO DETERMINE WHETHER OR NOT
 CRG THE NEW AFGHAN GOVERNMENT INDEED QUALIFIES AS A "COMMUNIST"
 TCU RESIDE IN THE CONTEXT OF SECTION 624 (F) OF THE "FOREIGN
 MA ASSISTANCE ACT." THE TARAKI GOVERNMENT HAS REPEATEDLY
 DAO REJECTED THAT LABEL -- AND, FOR THAT MATTER, HAS NOT YET
 MAAG EVEN USED THE WORD "SOCIALIST" IN ANY OF ITS PUBLIC
 AGR ANNOUNCEMENTS OR CONVERSATIONS WITH US. THE MAJORITY
 DEA OF THE NEW REGIME'S LEADERSHIP INDEED POSSESS WHAT COULD
 IRS BE DESCRIBED AS A "COMMUNIST" PARTY BACKGROUND (ALTHOUGH
 TCTR THE NAME "COMMUNIST" HAS NEVER BEEN USED BY ANY OF THE
 CIOC AFGHAN LEFTIST PARTIES). THE NEW LEADERSHIP UNDENIABLY
 CEOR CAME TO POWER THROUGH VIOLENCE AND BLOODSHED, BUT THEY
 CRU WOULD CLAIM THAT WAS NECESSARY IN ORDER TO OVERTHROW
 THE "TYRANNICAL DICTATORSHIP" OF DAUD. WE BELIEVE THE
 TRUE INTENTIONS AND POLICIES OF THE NEW GOVERNMENT MAY NOT
 BE DISCERNIBLE FOR SOME TIME.

SHIR 3. THE NEW GOVERNMENT HAS MADE IT CRYSTAL CLEAR PUBLICLY --
 TARN AND TO ME PERSONALLY -- THAT IT WANTS AID FROM ANY AND ALL
 ISFA SOURCES, INCLUDING THE US, AND, IN THE REALIGNED CONTEXT,
 FAA WILL BE JUDGING THE "FRIENDLINESS" OF FOREIGN NATIONS
 IN THE LIGHT OF THEIR WILLINGNESS TO EXTEND ECONOMIC AID.
 UNDER THESE CIRCUMSTANCES, WE SEE NO POLITICAL
 ADVANTAGE TO OUR APPEARING TO BE UNDULY STANDOFFISH OR
 NEGATIVE/ SUCH A STANCE COULD IMPEL THE NEW AFGHAN REGIME
 TO BECOME TOTALLY DEPENDENT ON -- AND ALIGNED WITH THE
 USSR, A LA CUBA. BY WAITING TOO LONG, WE RISK CAUSING

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THE TARAKI GOVERNMENT TO CONCLUDE IT IS DEVOID OF ECONOMIC OPTIONS, OTHER THAN FULL RELIANCE ON MOSCOW AND ITS SATELLITES. DEPUTY CHAIRMAN SABRAH MADE THIS CLAIM TO ME THIS MORNING. A FEELING OF LACK OF ALTERNATIVES MIGHT BECOME STRONGER HERE IN COMING WEEKS IF, AS IS POSSIBLE, AFGHANISTAN IS DENIED FURTHER SAUDI ARABIAN, KUWAITI, OR IRANIAN ASSISTANCE.

4. OTHER WESTERN DONORS WE HAVE CONSULTED, INCLUDING THE CANADIANS (REF KABUL 3716), BRITISH, AND WEST GERMANS, PLAN TO CONTINUE THEIR ONGOING ASSISTANCE PROGRAMS.

HERE. THE GERMANS

AVE TOLD US THAT THEY PLAN TO TEST THE WATERS BY INDICATING A WILLINGNESS TO CONTINUE THEIR PROJECTS, AND THEN MONITOR THE CLIMATE UNDER ACTUAL OPERATIONAL CONDITIONS. IF THEY SENSE AFGHAN OPPOSITION OR MISDIRECTION, THEY PLAN TO PULL BACK. IF, ON THE OTHER HAND, THE GERMANS FIND THAT THE NEW AFGHAN REGIME IS RECEPTIVE, THEY ARE READY TO CONSIDER THE NEGOTIATION OF NEW PROGRAMS. THERE IS APPARENTLY NO GERMAN LAW PROHIBITING AID TO COMMUNIST COUNTRIES, ONLY A POLITICAL POLICY WHICH BONN APPLIES SEPARATELY TO EACH SITUATION. FOR EXAMPLE, THE GERMANS ASSIST "SOCIALIST" REGIMES IN AFRICA WHICH COULD STRICTLY BE REGARDED AS "COMMUNIST," BUT BONN IN SUCH CASES DOES NOT DISCERN A MEANINGFUL LINK TO MOSCOW. IN THE CASE OF THE NEW AFGHAN REGIME, THE GERMAN EMBASSY DOES NOT YET THINK THE TARAKI GOVERNMENT CAN BE ACCURATELY DESCRIBED AS "COMMUNIST" OR LINKED TO MOSCOW THROUGH THE "INTERNATIONAL COMMUNIST CONSPIRACY." UNCTAD AT THE UNDP AND THE WORLD BANK ARE ALSO PLANNING TO CONTINUE THEIR ASSISTANCE OPERATIONS HERE.

5. WE BELIEVE WE SHOULD BE DOING SOMETHING SIMILAR TO THE GERMANS. ADOPTING A POLICY WHICH EXPLICITLY HOLDS UP NEW AID OBLIGATIONS, AND IMPLICITLY PUTS IN ABEYANCE ANY MEANINGFUL DISCUSSION WITH THE NEW GOVERNMENT, WILL LIKELY BE INTERPRETED AS A NEGATIVE SIGNAL BY THE REGIME.

6. WE HAVE TWO PROJECTS WHERE A FREEZE ON NEW OBLIGATIONS WILL EFFECTIVELY HALT PROGRESS ON IMPLEMENTATION. WITHOUT NEW OBLIGATIONS FOR THE HELMAND PROJECT, WE WILL BE UNABLE TO FUND THE PHASE II DRAINAGE CONSTRUCTION. JUST BEFORE THE REVOLUTION, WE HAD SENT THE PREVIOUS GOVERNMENT A LETTER STATING THAT THE CONDITIONS PRESENT (CPS) WERE SATISFIED, AND THAT WE WERE READY TO SIGN A PROJECT AGREEMENT AMENDMENT WHICH WOULD OBLIGATE 3.2 MILLION DOLLARS FOR DRAIN CONSTRUCTION. A SIMILAR SITUATION EXISTS WITH THE INTEGRATED WHEAT PROJECT. IF THE NEW GOVERNMENT DECIDES TO ACCEPT THE HIAC CONTRACT PROPOSAL, WE WILL BE UNABLE TO FIELD A TEAM UNTIL ADDITIONAL FUNDS

ARE OBLIGATED; AN OBLIGATION OF 1.86 MILLION DOLLARS WAS PLANNED THIS MONTH TO FUND THE PROJECT FOR ONE YEAR.

7. DISCUSSIONS WITH THE CURRENT GOVERNMENT REGARDING OTHER PROJECTS HAD REACHED THE STAGE WHERE FAILURE TO MOVE AHEAD WITH THE NEW GOVERNMENT COULD SIGNIFICANTLY DISRUPT OUR MOMENTUM, WHICH WE MIGHT POSSIBLY NEVER REGAIN -- AND WOULD GIVE A NEGATIVE POLITICAL SIGNAL. PROJECT PAPERS HAVE BEEN COMPILED FOR DEVELOPMENT SUPPORT TRAINING (DST) PROJECT AND FOR THE TECHNICAL MANPOWER DEVELOPMENT PROJECT. (TMD) (THE DST PROJECT PROVIDES FUNDING WHICH WILL BE REQUIRED DURING JUNE FOR 15 AND 200 PERSONS IN THE U.S.) THE AMENDMENT TO THE BASIC HEALTH SERVICES PROJECT WAS NEAR COMPLETION AT THE TIME OF THE REVOLUTION. THE NEW MINISTER OF HEALTH HAS ALREADY INDICATED HIS INTEREST IN MOVING AHEAD TO DISCUSS THIS EXPANDED PROJECT (KABUL 3543). THE MINISTRY OF HIGHER EDUCATION HAS ALSO EXPRESSED INTEREST IN RESUMING ITS ~~DIALOGUE WITH AID~~ (KABUL 3732).

8. ~~ALTHOUGH WE ARE NOT RECOMMENDING ANY STATING ACTION AT THIS TIME, WE DO THINK IT WOULD BE HIGHLY USEFUL FOR THE AMBASSADOR AND AID DIRECTOR, DURING OUR INITIAL~~ ~~CONTACTS ON THE PLANNING AND OTHER RELEVANT MATTERS, TO~~ ~~BE ABLE TO PROBE AFGHAN INTENTIONS RE THEIR DEVELOPMENT PLANS,~~ ~~SPECIFICALLY IN THESE PRIORITY AREAS. WE WOULD ALSO WANT TO~~ ~~BE CERTAIN THAT THE NEW GOVERNMENT UNDERSTANDS AND ACCEPTS~~ ~~THEIR COMMITMENTS UNDER EXISTING PROJECT AGREEMENTS. SUCH~~ ~~PROBINGS WOULD NOT IRRETRIEVABLY COMMIT US IN ADVANCE~~ ~~TO HELP, BUT THEY WOULD IMPLY THAT IF WE GET AN~~ ~~ACCEPTABLE RESPONSE FROM THE NEW GOVERNMENT, WE WOULD BE~~ ~~PREPARED TO MOVE AHEAD QUICKLY ON THOSE FEW PROJECTS~~ ~~WHICH ARE READY AND WHERE WE CAN REACH MUTUAL AGREEMENT~~ ~~ON HOW TO PROCEED. WE WOULD ALSO BE EMPHASIZING THAT~~ ~~AMERICA IS COMMITTED TO AIDING THE WORLD'S POOR, BUT THAT~~ ~~OUR ABILITY TO DO SO IN AFGHANISTAN WILL DEPEND, IN LARGE~~ ~~PART, ON ACTIONS BY THE NEW GOVERNMENT IN HUMAN RIGHTS,~~ ~~AS WELL AS IN THEIR COMMITMENT TO ECONOMIC AND SOCIAL~~ ~~DEVELOPMENT. IN THIS REGARD, WE SHOULD NOTE THAT THE~~ ~~NEW GOVERNMENT HAS REPEATEDLY EMPHASIZED ITS COMMITMENT~~ ~~TO PROVIDE "FOOD, CLOTHING, AND SHELTER" AND HAS BITTERLY~~ ~~ATTACKED PREVIOUS GOVERNMENTS FOR FAILING TO HELP THE~~ ~~POOR. FOREIGN MINISTER AMIN HAS ALSO TOLD ME THAT HIS~~ ~~GOVERNMENT WISHES PEACEFUL RELATIONS WITH ALL NATIONS IN~~ ~~ORDER TO ALLOW IT TO ADDRESS ITS INTERNAL PROBLEMS. THUS,~~ ~~IT MAY BE THAT THIS GOVERNMENT WILL PROVE MUCH MORE DYNAMIC~~ ~~AND EFFECTIVE IN WORKING TO UPLIFT THE POOR MAJORITY THAN~~ ~~DAUD'S REGIME. TIME WILL OF COURSE TELL.~~

9. IN SHORT, WE BELIEVE THAT A PROBING ACTION ALONG THE ABOVE LINES IS NECESSARY AT THIS TIME IN ORDER TO PRESERVE AS MUCH AS POSSIBLE OF OUR AID BRIDGEHEAD HERE IN CASE WE DO INDEED REMAIN IN THE AFGHAN ASSISTANCE PICTURE. AND WE BELIEVE SUCH A POSTURE WILL KEEP OPEN OUR POLITICAL OPTIONS. WE SHOULD PROBE THE INTENTIONS OF THE NEW GOVERNMENT AND SHOW OUR WILLINGNESS TO MOVE AHEAD WITH ONGOING AID PROJECTS WHERE THE NEW GOVERNMENT WILL

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RECONFIRM ITS RESPONSIBILITIES UNDER THE PROJECT AGREEMENTS, AND TO INDICATE OUR WILINGNESS TO CONTINUE THE DIALOGUE ON THE BASIC HEALTH-SERVICES PROJECT AMENDMENT AND ON THE TAD AND DSI PROJECT PAPERS. IF THE DEPARTMENT AND AID PERCEIVE NO OBJECTION, THIS FISHING EXPEDITION WILL BE LAUNCHED DURING MY AND THE USAID DIRECTOR'S INITIAL CALLS ON CABINET MINISTERS INVOLVED IN ECONOMIC AID PROGRAMS.

10. AS FOR THE FUTURE, WE STRONGLY HOPE THAT OUR GOALS IN AFGHANISTAN CAN CONTINUE TO BE SUPPORTED BY AN AID PROGRAM PERCEIVED BY THE NEW REGIME AS MEANINGFUL AND HELPFUL. WE SHOULD BE ABLE TO DETERMINE FAIRLY EARLY IN THE GAME WHETHER THIS WILL BE POSSIBLE.

11. REQUEST INSTRUCTIONS SOONEST. I AM ALREADY IN MY ROUND OF CALLS ON THE NEW MINISTERS, AS ARE ALL OTHER AMBASSADORS HERE, AND IT WILL BE NOTED IF I AVOID SEEING THE DEVELOPMENT MINISTERS.

ELIOT

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